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EDWARD M. WOODWARD, SR.
(1921-2000)

November 5, 2004

The Honorable George N. Dorn, Jr.
Interim Executive Director
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211

Re: Application of MCI, Inc. for Expedited Approval of Merger
Our File No. 04-7038

Dear Mr. Dorn:

Attached for filing is an original and 15 copies of MCI, Inc.'s Application for Expedited Approval of Merger. MCI requests that the assets and customer bases of SoutherNet Services, Inc. and SoutherNet of South Carolina be transferred to MCI WorldCom Network Services, Inc.

MCI requests that the certificates of public convenience and necessity held by the two SoutherNet companies be cancelled.

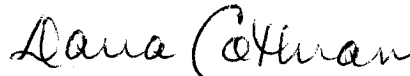
MCI also requests that MCI WorldCom Network Services, Inc. be allowed to conform its tariff to the current business practice of using Telecom * USA as a DBA for services related to SoutherNet of South Carolina, Inc.

MCI requests that this matter be expedited in order to ensure a streamlining of the corporate organization and increased efficiencies for the Commission.

Please do not hesitate to contact me if you need further information.

Very truly yours,

WOODWARD, COTHRAN & HERNDON



Darra W. Cothran
dwcothran@wchlax.com

DWC/bjd

Enclosures.

**Before the
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

APPLICATION of

MCI, Inc.

For Grant of the Authority Necessary for the
Merger of SouthernNet of South Carolina, Inc.,
SouthernNet Services, Inc.
and MCI WorldCom Network Services, Inc.
and Related Intra-Corporate Transactions
Undertaken to Streamline MCI, Inc.'s Corporate
Structure

Docket No. 2004-319-C

APPLICATION FOR EXPEDITED APPROVAL OF MERGER

MCI, Inc. ("MCI"), by its undersigned counsel, and on behalf of its subsidiaries SouthernNet of South Carolina, Inc., SouthernNet Services, Inc. (collectively "SouthernNet") and MCI WorldCom Network Services, Inc. ("Network Services" and, together with SouthernNet, "MCI"), and pursuant to South Carolina Code § 58-9-310, hereby requests that the Public Service Commission of South Carolina (the "Commission") grant such authority as may be necessary or required in connection with the corporate merger of SouthernNet into Network Services (the "Merger"), undertaken to streamline MCI's corporate structure, including the transfer of SouthernNet's telephone assets, customer base, and cancellation of both SouthernNet of South Carolina, Inc.'s and SouthernNet Services, Inc.'s certificates of public convenience and necessity. As part of the merger of SouthernNet into Network Services, Network Services will be using the DBA of "Telecom*USA" in the provision of the related SouthernNet presubscribed and dial around services.

I. DESCRIPTION OF THE APPLICANT, MCI, INC.

MCI, Inc. is currently a global telecommunications company organized and existing under the laws of the State of Delaware with its principal place of business located at 22001 Loudoun County Parkway, Ashburn, Virginia, 20147. Through various operating subsidiaries, including the South Carolina operating subsidiaries, MCI, Inc. provides international and domestic interstate, intrastate and local telecommunications services in each of the 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. MCI, Inc.'s telecommunications offerings are comprehensive in scale and scope and include virtually every type of voice and data service. Additional information about MCI, Inc. is available at www.mci.com.

MCI, Inc. is the parent company of various operating subsidiaries; it offers no services directly to the public and holds no certificates of public convenience and necessity issued by the Commission.¹ On October 31, 2003, MCI, Inc. (f/k/a WorldCom, Inc.) and 221 of its direct and indirect domestic subsidiaries emerged from Chapter 11 bankruptcy proceedings.² Throughout the bankruptcy reorganization proceedings, MCI, Inc. continued to operate its businesses, both in South Carolina and elsewhere, without interruption, maintained its state-of-the-art network, preserved service quality, and continued to expand the availability of innovative and competitive services.

The Merger is part of MCI, Inc.'s continuing effort to streamline its corporate legal structure to achieve certain operating efficiencies, cost savings, and administrative benefits. The more efficient structure will also reduce duplication of effort and confusion in MCI, Inc.'s dealings with regulators, other government agencies, vendors, and customers.

¹ A list of the certificates of public convenience and necessity currently held by MCI, Inc. subsidiaries in the State of South Carolina is provided in Exhibit 1.

² *In re WorldCom, Inc.*, Case No. 02-13533 (AJG) (S.D.N.Y.).

II. CONTACT INFORMATION

Correspondence concerning this Application may be directed to:

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And:

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With a copy to:

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Atlanta, Georgia 30328
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Fax: (770) 284-5488
Email: marsha.ward@mci.com

III. DESCRIPTION OF PROPOSED MERGER

The Merger is an essential aspect of MCI's plan to streamline its corporate structure in a manner that will simplify administrative requirements for MCI, regulators and consumers. As shown in Exhibits 2A and 2B, MCI, Inc., the ultimate parent of SouthernNet, will retain ultimate control of the surviving subsidiary, Network Services. The Applicant, MCI, Inc., submits for the

Commission's approval the Merger that is expected to close December 31, 2004, as described below.

MCI, Inc. currently has seven subsidiaries certificated to provide telecommunications services in South Carolina: (i) the two SouthernNet companies; (ii) Network Services; (iii) MCI WorldCom Communications, Inc.; (iv) MCImetro Access Transmission Services LLC; (v) TTI National, Inc.; and (vi) Intermedia Communications, LLC. Each of these subsidiaries holds a separate certificate of public convenience and necessity and all but SouthernNet Services, Inc. files its own tariffs separate from the other subsidiaries. SouthernNet Services, Inc. has no tariff on file at the Commission and serves no customers. The Merger will result in SouthernNet's assets and SouthernNet of South Carolina, Inc.'s assets and customer base being transferred to Network Services. In connection with the Merger, MCI requests that the Commission approve the cancellation of the certificates of public convenience and necessity held by SouthernNet, to coincide with the effective date of the SouthernNet of South Carolina tariffs being incorporated into Network Services' tariff. Thus, as shown in Exhibit 2B, post-Merger SouthernNet will no longer be providing telecommunications services in South Carolina. Network Services soon will be filing with the Commission the appropriate tariff changes to reflect the Merger. As a part of that tariff filing, Network Services will also file the DBA of Telecom*USA associated with the SouthernNet offering to conform the tariff to the long-accepted business practice in South Carolina of doing business in the name of Telecom*USA. Appropriate documentation from the Secretary of State's office will be filed at that time in support.

IV. EFFECT OF THE MERGER

SouthernNet of South Carolina Inc.'s 4,707 presubscribed retail customers will receive thirty days prior notice of the Merger substantially in the form attached hereto as Exhibit 3, and

the Commission will be able to review the tariff changes to ensure that consumers' rights are fully protected. Given that SouthernNet Services, Inc. has no presubscribed customers in South Carolina, there is no need to provide any customer notice.

The Merger will have no effect on the services or the rates, terms, and conditions of those services that are currently being provided to South Carolina customers. Nor will there be any effect on the Commission's jurisdiction to regulate the provision of services to those customers. In fact, SouthernNet will be retariffed in Network Services, and there will be no Carrier Identification Code ("CIC") change. In fact, the SouthernNet CIC is part of the assets being merged into Network Services and will continue to be utilized by the SouthernNet customers. SouthernNet's services are currently branded as Telecom*USA and with Network Services using the Telecom*USA dba for the related tariffs, the transaction will be virtually transparent to the customer. Of course, Network Services will continue to file tariffs, notices, and reports with the Commission, as appropriate, regarding all of its services. Once the Commission approves the merger, Network Services will obtain from the Secretary of State documentation evidencing that the DBA is properly filed with the Secretary of State's office and will file such with this Commission and reflect the use of the DBA in its tariff.

The Merger will result in a streamlined and more efficient corporate structure that achieves cost savings and eliminates administrative duplication, including overlapping reports and regulatory filings. At the same time, customers of these entities will continue to receive service under the same rates, terms and conditions they currently enjoy.

V. THIS APPLICATION SHOULD BE CONSIDERED ON AN EXPEDITED BASIS

The public interest will be best served by the expeditious grant of this Application. Competition will be increased by reinforcing MCI's status as a viable competitor. More

importantly, rapid completion of this transaction will ensure an orderly streamlining of the corporate organization which will increase efficiencies for the Commission. Applicant emphasizes that, following the completion of this transaction, end users will continue to receive service under the same rates, terms and conditions as those services are currently being provided. Accordingly, MCI respectfully requests that the Commission approve this Application as expeditiously as possible in order to allow MCI to consummate the proposed transaction as soon as possible.

VI. CONCLUSION

In order to allow MCI, Inc. to properly and efficiently consolidate its corporate structure, the Applicant respectfully requests that the Commission approve the merger of SouthernNet of South Carolina, Inc. and SouthernNet Services, Inc. into MCI WorldCom Network Services, Inc.; that the Commission approve the cancellation of the certificates of public convenience and necessity held by SouthernNet of South Carolina, Inc. and by SouthernNet Services, Inc.; that the Commission allow MCI WorldCom Network Services, Inc. to conform its tariff to the current accepted business practice of using Telecom*USA as a DBA when it provides the services related to SouthernNet of South Carolina, Inc.; that the Commission expedite the approvals requested herein, in any event no later than December 31, 2004; and that the Commission afford such further relief as may be appropriate.

DATED: November 5, 2004

Respectfully submitted,

**MCI, INC., on behalf of its subsidiaries
SouthernNet of South Carolina, Inc.,
SouthernNet Services, Inc. and MCI WorldCom
Network Services, Inc.**

By: Darra W. Cothran

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VERIFICATION

I, Darra W. Cothran, state that I am South Carolina counsel for MCI, Inc., Applicant in the foregoing Application of MCI, Inc.; that I am authorized to make this Verification on behalf of MCI, Inc; and that the statements in the foregoing Application are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 5 day of November, 2004, at Columbia, South Carolina.

By: 
Darra W. Cothran

Exhibit 1

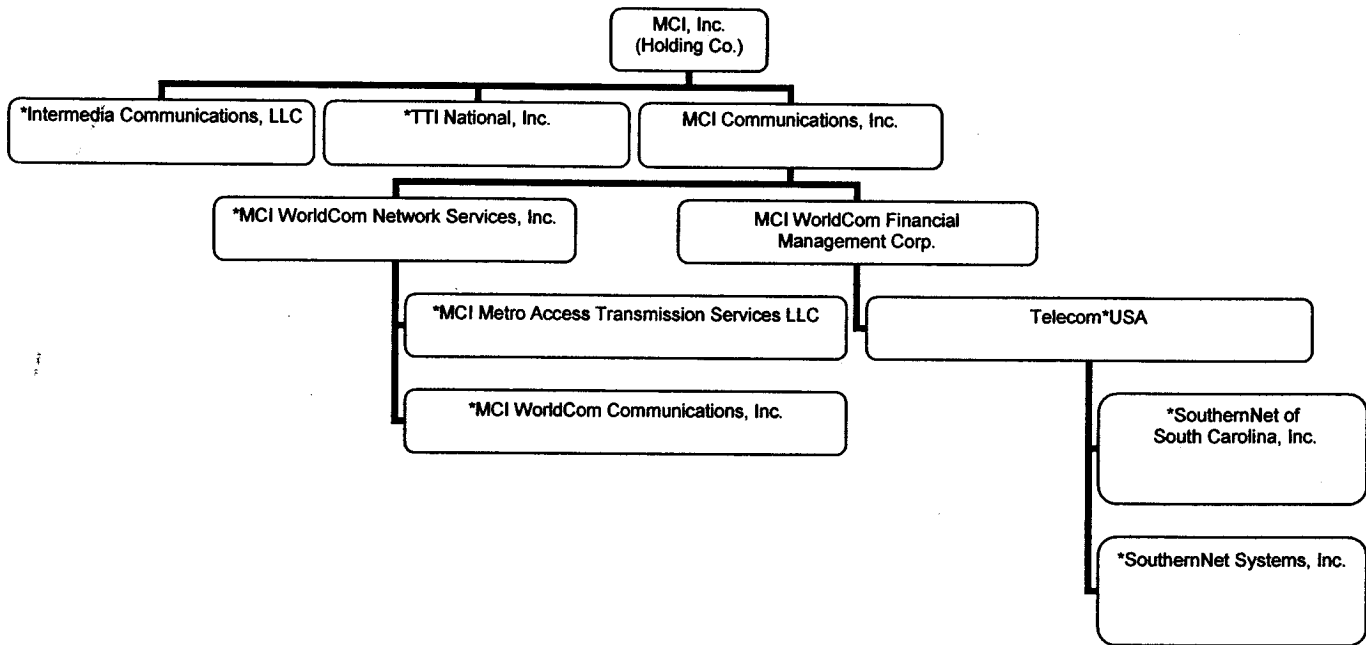
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Entity	Authority
SouthernNet of South Carolina, Inc.	IXC
SouthernNet Services, Inc.	IXC
MCI WorldCom Network Services, Inc.	IXC
MCI WorldCom Communications, Inc.	IXC
MCImetro Access Transmission Services LLC	CLEC
TTI National, Inc.	IXC
Intermedia Communications, LLC	IXC, CLEC

Exhibit 2A

ORGANIZATIONAL CHARTS

South Carolina Pre-Reorganization Structure

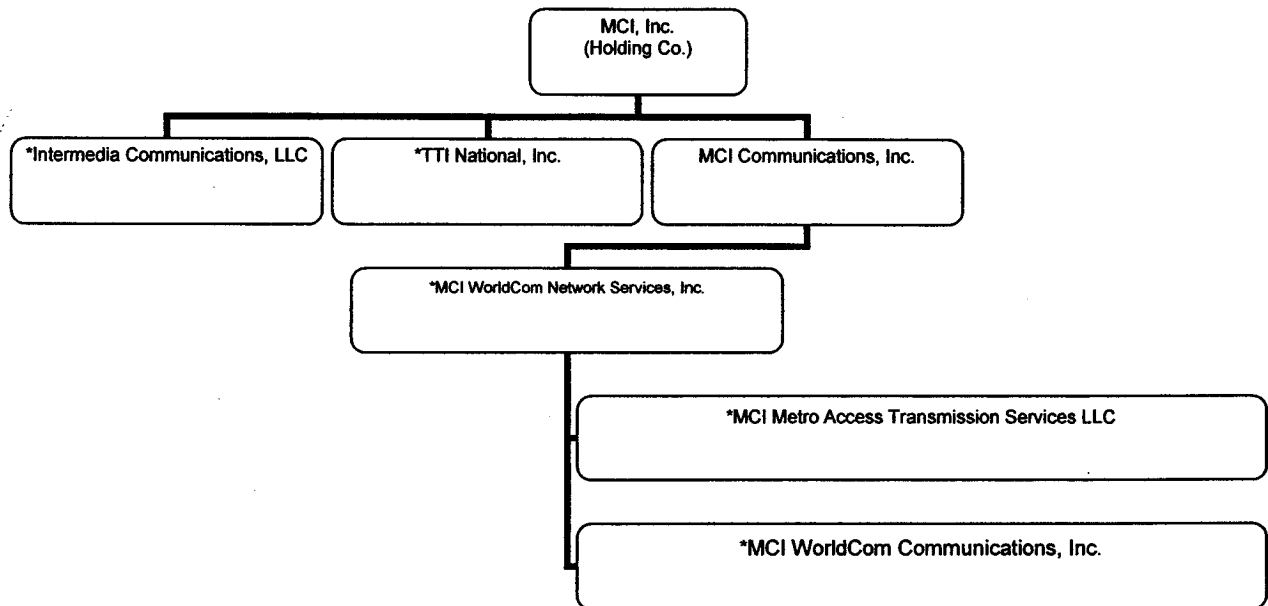


*Denotes entities regulated by Commission

Exhibit 2B

ORGANIZATIONAL CHARTS

South Carolina Post Reorganization Structure



*Denotes entities regulated by Commission

**SouthernNet of South Carolina, Inc. and SouthernNet Services, Inc. merge into MCI WorldCom Network Services, Inc.

Exhibit 3

CUSTOMER NOTICE

Please forward promptly to your telecom manager



MCI WorldCom Network Services Inc.
Long Distance and Dial-Around Customer Service
<Street Address>
<City, South Carolina, ZIP>

November 17, 2004

<Customer Name>
<Contact Name>
<Address>
<City State Zip>

Dear Valued Customer:

As part of our ongoing initiative to streamline and simplify the way MCI does business with our customers, we will be changing the corporate entity under which we provide long distance and dial-around phone service. If you currently receive long distance service from SouthernNet of South Carolina, your service will now be provided by MCI WorldCom Network Services, Inc. and your existing contract will be transferred to MCI effective on or after December 31, 2004.

This change will not result in any additional charges to you and will not affect the quality, features, rates, billing, terms or any other aspect of your long distance phone service. It simply consolidates into a single, current entity (MCI WorldCom Network Services, Inc.) the former corporate entity under which we tariff and provide long distance service. Effective on or after December 31, 2004, any communications regarding your long distance phone service, past or present, should be directed to MCI.

Any changes to our rates, terms or conditions that may occur in the future will be reflected in the MCI metro tariffs or, if applicable, pursuant to contract.

Reference to your current long distance service provider name may be found on the first page of your invoice. Should you have questions, please feel free to call Customer Service at the toll-free number printed on your invoice.

As always, you have the right to receive long distance phone service from any carrier you choose, subject to the terms of any existing contract commitment.

MCI provides innovative communications solutions to millions of business and residential customers around the world. In addition to local operations in 65 countries, we have more than 130 data centers in 22 countries, and more than 4,500 Points of Presence worldwide. We offer Frame Relay service in 72 countries, ATM service in 21 countries, and Internet access in more than 2,800 cities across six continents. We are pleased to provide telecommunications services to your business as well. Thank you for being a valued customer.

Sincerely,

MCI WorldCom Network Services Inc.